

Western Leaders Expected to Duck Toughest Issues

By Hobart Rowen
Washington Post Service
OTTAWA — President Reagan and the six other leaders of the industrialized democracies on Tuesday appeared ready to patch up their differences on key issues in a mostly bland communiqué affirming their interdependence.

Canada Seizes Chance to Take Center Stage Summit Is Way to Combat Country's International 'Obscurity'

By Andrew H. Malcolm
New York Times Service
OTTAWA — A week of the rigid demands of Oriental courtesy, Prime Minister Pierre Elliott Trudeau, as host for the seven-nation summit meeting in Ottawa, has paid a special visit to the Suite of Japan's Premier Zenko Suzuki.

7 Agree to Discuss Soviet Trade Curbs

New York Times Service
OTTAWA — Leaders of the seven industrial nations meeting here have endorsed a U.S. proposal to discuss the possibility of further restrictions on trade with the Soviet Union, but they came to no agreement on whether to proceed with such limits.



President Reagan conferred with U.S. Secretary of State Alexander M. Haig Jr. during a session of the economic summit conference in Ottawa. Mr. Haig later announced that the United States would delay shipping F-16 fighter-bombers to Israel as a result of escalating Mideast violence.

On two key issues, East-West trade and North-South matters, it appeared that both the United States and Europeans have to compromise.

On East-West trade, there was likely to be language in the communiqué dealing in general terms with the dangers as seen by the United States of export controls so lax that the Soviet Union is helped to build its military strength.

At the Montebello resort the leaders were given golf carts for transportation. President Reagan and West Germany's Chancellor Helmut Schmidt rode to their bilateral meeting in such a cart — with the American leader in the driver's seat.



TORTURED TURF — A member of the Poverty Bay Rugby Union team in Gisborne, New Zealand, picks up glass fragments scattered by anti-apartheid protesters on a playing field where the Springbok rugby team from South Africa is scheduled to play a match on Wednesday. Page 2.

Reagan Stops Delivery Of F-16s; Israeli Aide 'Unhappy' With Action

OTTAWA — President Reagan has indefinitely postponed the delivery of U.S. F-16 fighter-bombers to Israel because of the "escalating level of violence" in the Middle East, Israeli deputy defense minister, said Tuesday he was "very unhappy" about the action.



A heavily armed security guard stood watch over two F-16 jets at an Air Force base in New Hampshire Monday after President Reagan indefinitely postponed their delivery to Israel.

U.S. Cease-Fire Call Is Rejected by Israel

By William Claiborne
Washington Post Service
JERUSALEM — Israel Tuesday flatly rejected appeals by the United States to agree to negotiations with the Palestinians for a cease-fire in the growing conflict in Lebanon, vowing that "under no circumstances" would it communicate directly or indirectly with the Palestinians or authorize any third-party mediation.

Kania's Position Seen Weakened In Radically Altered Polish Party

By John Darnon
New York Times Service
WARSAW — The emergency Polish Communist Party congress ended Monday and when the votes and debates and democratic tumult finally died down, one thing was clear: the party is vastly different from what it was only six days earlier.

INSIDE U.S. Denounced Arms Smuggling Focus on the Gulf

Cardinal Jaime L. Sin, archbishop of Manila, denounces the United States for openly supporting President Marcos. Page 2.
A five-month U.S. investigation into conspiracies to smuggle arms to South Africa has brought growing attention to weapons trafficking in New York. Page 3.

U.S. Proposes Sale Of Weapons To Japan

WASHINGTON — The Navy said Monday that Congress has been informed of the proposed sale to Japan, for an estimated \$63 million, of four Phalanx rapid-fire weapons systems to be used on Japanese destroyers.

NEWS ANALYSIS
More than 90 percent of the 270 members of the full Central Committee are new. More importantly, they represent a new force — they are party workers instead of apparatchiks, they are rooted in the provinces instead of in Warsaw, and they are guided by egalitarianism and an almost populist notion of taking on the establishment.

Lyudmila Zhivkova, Leader's Daughter, Is Dead in Bulgaria

SOFIA — Lyudmila Zhivkova, 38, daughter of Bulgarian President Todor Zhivkov, and considered the most influential person in the country after her father, has died, the official BTA news agency reported Tuesday.

OBITUARIES

Following the death of her mother in 1971, Mrs. Zhivkova assumed the unofficial role of Bulgaria's First Lady. She was elected to full membership in the party Central Committee in 1976. Three years later, she was elevated to Politburo, the policy-making arm of the party. Last May, she was given supervisory responsibility within the Politburo for all state education.

Despite her prominence, little was known of her personal life. She was married to Ivan Slavkov, 41, director-general of Bulgarian Television. She had two children, a daughter, Zheni, and a son, Todor.

Convict-Author Is Sought In Killing of N.Y. Waiter

NEW YORK — A convict whose book on prison life was reviewed last month, and who was championed while in prison by Norman Mailer, is being sought by police here for questioning in the stabbing death of a Manhattan waiter.

Cooke Says Titan-2 Case Deal Abused

WASHINGTON — The Air Force Titan-2 missile officer under investigation for allegedly passing defense information to the Russians has charged the chief of the Strategic Arms Reductions talks with trying to cover up apparent flaws in the immunity agreement that is a key part of the case.

Justice Department prosecutors are reviewing the case but have indicated the immunity problem may bar prosecution on espionage charges.



The Vernon version of the Mona Lisa (left) and the Louvre Lisa: Note differences in smile, hands, hair and background.

Mona Lisa: Capers and the Multiple Version Theory

LONDON — At 5:30 in the afternoon, the Louvre's curator of Egyptian art was the one to make the official statement. "La Gioconda is gone."

It was Aug. 22, 1911. Someone had stolen the Mona Lisa. It was two years before the painting returned to the Louvre. All that time, it lay hidden in a room within walking distance of the museum.

Truth is not only stanger than fiction; it is much more fascinating. "The Day They Stole the Mona Lisa" has just been published in Britain by Robert Hale. (It was brought out earlier this year in the United States by Summit Books.) "The theft of the Mona Lisa was engineered by two geniuses who never had any real interest in the actual painting except to get it out of the museum."

Low-Calorie Wine Gets Boost in U.S. **LOS ANGELES** — Paul Masson Vineyards says a technological breakthrough permits it to make the lowest-calorie wines yet produced, and throughout the year, not just at harvest time.

Art

Enter now, as Reit tells it, one William Vernon, who in 1778 was sent from America to sow wild oats in France. He liked the life, stayed, and found himself in the middle of the French Revolution. According to Reit and the Vernon family legend, William eventually returned to the United States with a painting entrusted to him by Marie Antoinette, which he

Films

A Thriller With Ginger

PARIS — The Grand Guignol was driven out of business more than a decade ago by the screen's greater proficiency at imparting the creeps. The latest manifestation of this cinematic impulse is "The Boogey Man" by Ulli Lommel, which represents a re-union of the surefire features of the familiar formula, with some added ginger.

Moscow Film Awards

MOSCOW (AP) — "The Wrong-Dui Man" (Brazil), "Wild Field" (Vietnam) and "Tcheran 43" (Soviet Union) were awarded gold medals at the 12th international Moscow film festival, Tass reported Tuesday.

Theater West Germans Seeking To Bypass Brecht Heirs

BERLIN — Twenty-five years after the death of Bertolt Brecht, a group of West German theatrical directors and performers has called on the East Berlin Academy of Arts to place Brecht's plays in a national trust and divest his legal heirs of some of their rights.

When Brecht died in 1956 in East Berlin, where he had settled after his return from the United States, he left a will giving his heirs control over the production of his works on the German-language stage. Under existing copyright laws, they also receive the royalties for any production during a 70-year period after the author's death.

Reit's theory is that da Vinci painted La Gioconda for her husband before 1505, when she was probably in her mid-20s. "This would be the Vernon Lisa." The columns are there, so it really couldn't be a later copy," he said. (This painting and the Louvre's are the only versions done by a left-handed person, he said, and da Vinci was left-handed.) By about 1513, Reit believes, the lady had become the lover of a powerful Florentine, who asked da Vinci for another portrait, and da Vinci, as a prank, duplicated the earlier pose.

New Vatican Chapel

VATICAN CITY — The Vatican has opened a new chapel dedicated to the three patron saints of Europe — Benedict, Cyril and Methodius. The chapel, in the Vatican grottoes under St. Peter's basilica, is expected to be available for services in mid-August. It is decorated with panels depicting the three saints.

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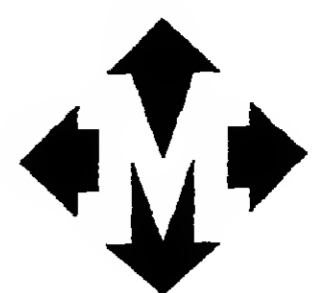
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NYSE Nationwide Trading Closing Prices July 21

Tables include the nationwide prices up to the closing on Wall Street.

12 Month High	12 Month Low	Stock	High	Low	Close	12 Month High	12 Month Low	Stock	High	Low	Close
12.00	11.00	AA	11.75	11.50	11.60	12.00	11.00	AA	11.75	11.50	11.60
11.00	10.00	AAA	10.75	10.50	10.60	11.00	10.00	AAA	10.75	10.50	10.60
10.00	9.00	AAA	9.75	9.50	9.60	10.00	9.00	AAA	9.75	9.50	9.60
9.00	8.00	AAA	8.75	8.50	8.60	9.00	8.00	AAA	8.75	8.50	8.60
8.00	7.00	AAA	7.75	7.50	7.60	8.00	7.00	AAA	7.75	7.50	7.60
7.00	6.00	AAA	6.75	6.50	6.60	7.00	6.00	AAA	6.75	6.50	6.60
6.00	5.00	AAA	5.75	5.50	5.60	6.00	5.00	AAA	5.75	5.50	5.60
5.00	4.00	AAA	4.75	4.50	4.60	5.00	4.00	AAA	4.75	4.50	4.60
4.00	3.00	AAA	3.75	3.50	3.60	4.00	3.00	AAA	3.75	3.50	3.60
3.00	2.00	AAA	2.75	2.50	2.60	3.00	2.00	AAA	2.75	2.50	2.60
2.00	1.00	AAA	1.75	1.50	1.60	2.00	1.00	AAA	1.75	1.50	1.60
1.00	0.00	AAA	0.75	0.50	0.60	1.00	0.00	AAA	0.75	0.50	0.60
0.00	0.00	AAA	0.00	0.00	0.00	0.00	0.00	AAA	0.00	0.00	0.00



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(Continued on Page 12)

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THE UNITED ARAB EMIRATES

AN INTRODUCTION

The United Arab Emirates, a federation of what used to be the Trucial States, achieved independence at the end of 1971, coinciding with the completion of British evacuation from the Arabian Gulf. Comprising Abu Dhabi, Dubai, Sharjah, Fujairah, Ajman and Umm al Qaiwain at inde-

duced by around half a million barrels a day. At the same time, huge and expensive schemes have been inaugurated to collect the associated gas from Abu Dhabi's and Dubai's oilfields, which was previously wasted. With the last major scheme, for Abu Dhabi's onshore fields, which

ment of the country's women to play a greater role in economic and social life. Within the constraints necessarily imposed by custom and culture, the women of the United Arab Emirates have been able to avail themselves of a wide range of facilities, including adult literacy programmes,

and handicraft and hygiene courses, while the younger generation are now benefiting from the existence of compulsory education up to university level. The first few hundred home-grown female graduates have just completed their studies. Roughly half of the UAE's citizens are women, and they are now coming slowly to play a more active part in commerce and government, yet without losing their traditional customs and values.

For all the efforts that the government has expended in helping the people of the UAE to adjust to the dramatic changes in their life-style, however, another factor underlies and underpins those efforts - the devoutly held faith of Islam. The religion of the people of the UAE since the latter years of the Prophet Mohammed, it retains a vitality and strength that has given the people the confidence to tackle and cope with the changes around them. It remains an inspiration to the highest and the lowest in the land, permeating virtually every aspect of life, from the UAE's generous foreign aid policy to the provision of social services and the harnessing of the country's potential for the benefit of future generations. It is, indeed, the cement that has enabled the still - young edifice of the United Arab Emirates to survive and grow stronger. In the future, it will play a similar role in cementing together the new edifices of the Gulf Co-Operation Council



The modern city of Dubai and its creek



Greenery in the desert - one of Abu Dhabi's thriving parks

pendence, the federation was joined a couple of months later by the seventh Trucial State, Ras al Khaimah, thus taking on the shape that has characterised it over the past decade.

The UAE is now best known internationally as a major oil producer, with daily production running at about 1.4 million barrels a day after a series of cutbacks culminating in one of 175,000 barrels per day after May's meeting of the Organisation of Petroleum Exporting Countries. The wealth from oil has enabled the country to embark upon a dramatic development programme, that, during the past ten years, has seen it almost totally transformed. In common with many of its near neighbours in the Gulf, now joined with it in the Arab Gulf Co-Operation Council, the UAE achieved its independence against a background of underdevelopment and poverty. Schooling was limited, health services, particularly in the remote desert and mountain regions virtually non-existent, internal communications lacking, and industry totally absent. Over the past ten years, however, the country has been able to shake off the heritage of poverty and neglect that had characterised the previous century and a half. With the availability of its petroleum revenues, the country has been able to construct an impressive range of social services, now crowned by its own University, graduating its first class this year, and modern hospitals with equipment that matches similar institutions in the developed and industrialised world. The country is now well supplied with ports, like those of Mina Zayed in Abu Dhabi and Mina Rashid and Mina Jebel Ali in Dubai, while communications with the rest of the world are guaranteed both by the UAE's four international airports, in Abu Dhabi, Dubai, Sharjah and Ras al Khaimah, and by a sophisticated telephone and telex system linked by three satellite ground stations to the rest of the globe. Internally, the road construction programme has meant that now even the remotest mountain settlement is within easy reach of modern facilities.

came into operation in June, the gas collection and liquefaction projects have added important new sources of revenue, as well as utilising a previously wasted resource.

Another part of government policy has been the determination to diversify the country's sources of income away from the oil and gas sector. Whereas ten years ago, there was virtually no industry of any kind, the UAE is now self-sufficient, with an exportable surplus, in cement, has a major aluminium plant in Dubai's industrial zone of Jebel Ali, exporting to the rest of the Gulf and the world, and a whole host of other industrial ventures, ranging from fertilisers to ship-yards, steel fabricators to fodder plants, and plastic pipe plants to offshore drilling contractors. At the same time, there has been substantial development not only in social services and in industrial diversification, but also in the field of the protection and stimulation of the country's traditions, culture and heritage. The changes that have been brought by the economic boom of the past decade have, inevitably, altered the face of the country. The population has risen from less than two hundred thousand to just over one million at the time of the December 1980 census. The traditional occupations of fishing and simple agriculture now only occupy a significant section of the population in the remote areas, since the major cities and towns provide employment of a vastly different kind. From almost self-sufficient desert communities, the inhabitants of the UAE have been obliged to adapt to being part of a country that is intimately connected with the rest of the regional and international economy. Such changes have meant that the lifestyle of the people has been dramatically changed, and it has been a major concern of the Government to ensure that the new economic circumstances have not led to social dislocation. One method adopted has been the stemming of population drift to the towns by building new villages in the desert. Specially designed for the previously nomadic population of the country, these villages have been built at the instructions of President Sheikh Zayed, in accordance with his belief that the benefits of modern civilisation should be taken to the nomadic people, rather than forcing them to come into the towns to obtain them.

The policy has meant not only that the traditional ways of life in the remote desert and mountain regions have been able to change at a more easily absorbable rate, but also that those who have moved to the towns have been able to retain a foothold, and a base, in the land from which they sprang. A major programme of developing small farms, with government assistance, has aided this process, as has the extension of educational and health facilities in the rural areas.

Another aspect of government policy has been its encourage-

ARAB GULF CO-OPERATION COUNCIL (A.G.C.C.)



The Heads of State of the six members of the Arab Gulf Co-operation Council at their founding meeting in Abu Dhabi in May

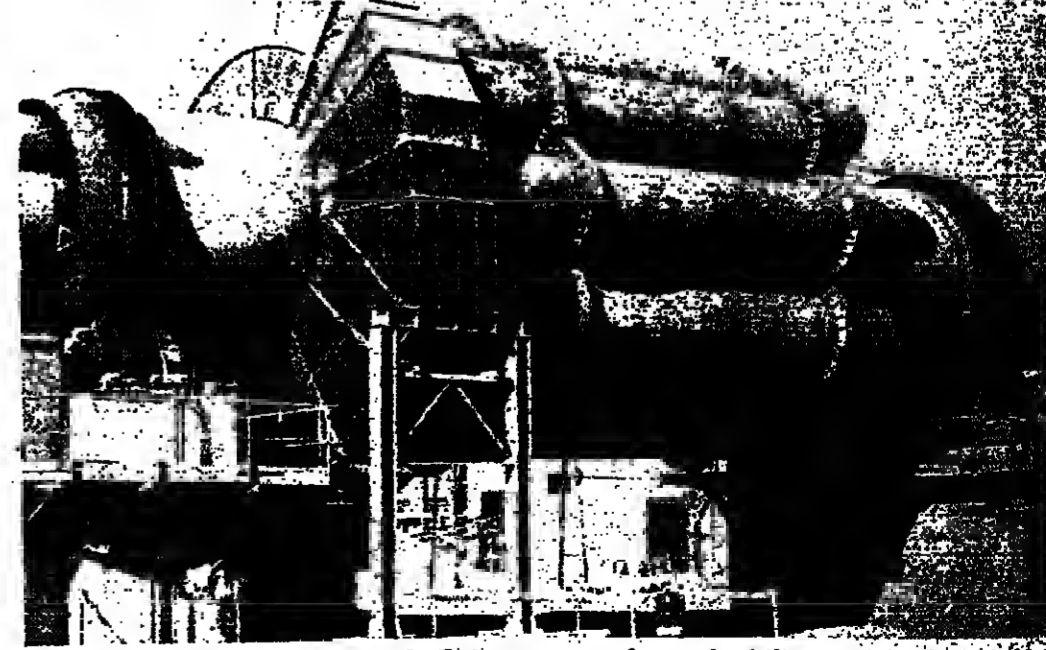
During the last week in May, the leaders of the six Arab Gulf States, the United Arab Emirates, Kuwait, Saudi Arabia, Bahrain, Qatar and Oman, met in Abu Dhabi to agree on the establishment of the Arab Gulf Co-operation Council, (A.G.C.C.). The two-day Conference, which attracted considerable international attention, saw the leaders endorse the proposal from their Foreign Ministers relating to the Council's establishment, and also elected the council's first Secretary General, Abdullah Bishara of Kuwait. After the Conference had closed, the President of the United Arab Emirates, and conference host, Sheikh Zayed Bin Sultan Al Nahyan, spoke to the foreign and local press, in a wide-ranging review of local and international issues, as well as on the outcome of the Summit itself. The President, as reported by the Emirates News Agency (W.A.M.), spelt out several key factors of the Summit meeting. First of all, however, he took the opportunity to stress that there were no basic differences in objectives between the six states comprising the Council. It is only natural that viewpoints should differ, Sheikh Zayed said. As long as the goal is the same, however, we feel that there is no harm in any differences in viewpoints between Council Members. These are healthy, as long as we aim at a sincere and real co-operation. What is true is that differences could be harmful if they stemmed from viewpoints that were not themselves in the service of (building) co-operation. Fortunately, however, all the viewpoints expressed at the Summit stem from an acceptance and understanding of the common interests that link us all. There was unanimous agreement amongst the Members of the Council on the need to strengthen

our existing co-operation and links in the fields of security, economics and on other issues. We have also unanimously agreed that we all would support any Member Country that may face problems of any kind. President Sheikh Zayed, in a reference to the Summit's Communique, which rejected the presence of foreign bases in the Gulf Region, stressed that this was something that had met with the agreement of all States. The Gulf Supreme Council (the Six Leaders) has agreed that our countries need no protection from abroad. They can protect themselves... They are in no need of foreign protection. The preservation of gulf security, the President stressed, was a matter that could be handled by solidarity amongst themselves (the six A.G.C.C. Members), and with help and solidarity from other Arab countries, since we are all part of the same Arab Nation. The Gulf Six have no enemy of whom they should be afraid, Sheikh Zayed added, and do not seek the enmity of any power or any country, large or small. At the early stages of its establishment, it is natural that the Member Countries of the Council will be obliged to study the actual mechanics of strengthening co-operation between themselves. Some such co-operation already exists, at the level of Inter-Ministerial Committees, covering such portfolios as Information, Education, Health, Youth, Labour, Finance and Industry, and considerable achievements have already been made in translating the work of these committees into practical results. The Gulf University, the Gulf News Agency, the Gulf Organisation for Industrial Consultancy and common programmes on malaria prevention and the prevention of

maritime pollution are but a few of the already visible results. The holding of the Summit, however, and the formal establishment of the A.G.C.C. has given a new impetus to the existing bodies, since there is now a formal endorsement from the Heads of State of the six countries for the development of common policies, programmes and institutions across a broad range of subjects. This endorsement was spelt out by Sheikh Zayed in his press conference. Our co-operation is all-inclusive... It includes all aspects, economic and social, as well as military and security. He also dealt with the existence of border disputes between some of the Council's member countries, saying that these could now be easily solved. The Gulf countries have now entered a new phase of developing and crystallizing their co-operation. What then is the value of a few kilometers here and a few kilometers there? We have reached agreement (at the Summit) on many important matters. Do you honestly believe that we will not be able to sort out this question? The President stressed, however, that there was no question of the United Arab Emirates abandoning its demand for the return of the three islands, Abu Musa and Greater and Lesser Tumb, which were seized by the former Shah of Iran at the end of 1971. The islands lie near the mouth of the Arabian Gulf, and were previously part of the Emirates of Sharjah and Ras Al Khaimah, both members of the UAE. These islands are ours, and our property, the President said. The property of the Arab Nation and of the United Arab Emirates. They belong to us, and we will never abandon them. We will seek, however, to gain

friendly relations by brotherly and friendly means, he added. Sheikh Zayed also commented on the present Iraq - Iran war, now nearly nine months old. We (the member countries of the Gulf Co-operation Council) are sad and hurt because of this war, the President said. It is of special significance for us, because Iraq is a brotherly Arab country, and Iran is a fellow Muslim country. Both are also our neighbours. We will be glad when we can see these two countries once again close together. Some foreign observers initially suggested that the formation of the Council meant that the Arab States of the Gulf were embarked on a course to separate themselves from the rest of the Arab World, despite their continued membership of the Arab League. During his press conference, however, both through his reference to broader Arab issues, and by ad-

What we, the Arabs, want from the United States, as a matter of principle, is not that she should side with the Arabs. Rather, we want her to be even-handed, even if this even-handedness may on occasion hurt us a bit. Our objective is justice, which is in the interests of the world as a whole, and in the interests of the United States itself. From Sheikh Zayed's comments, it is therefore evident that the Member States of the Arab Gulf Co-operation Council do not see their new Council as an institution through which they can turn their backs on regional or international affairs. The situation is, in fact, the contrary. The Six States will henceforth be working towards the formulation of a common and single voice on issues such as Lebanon and Palestine, and on other Arab causes. With such a single voice, the Six can ensure that their opinions will carry an international weight that might not be accorded to them on an individual basis. The key objective of the Council, however, as outlined by the President of the United Arab Emirates, is to move towards greater co-operation in all fields. Already, in the month that has passed since the council was established formally, several steps have been taken to get the process of expanding co-operation underway. The Finance Ministers of the Six met in Saudi Arabia during the early part of June, to consider ways of harmonising economic development plans, and proposals including the abolition of all tariff barriers are expected to be put before the meeting of the Council's Foreign Ministers in Bahrain in the autumn, and then to the next Heads of State meeting at the end of the year. The Secretary General, Abdullah Bishara, who completed a tour of Member States at the end of June is now engaged in the establishment of the Secretariat in Riyadh. The signs are that the commitment to the principles of co-operation enunciated by Sheikh Zayed at the end of the Council's founding summit will be now rapidly put into effect.



A cement plant in the Emirates - part of a growing industrial sector

GULF STATES

BAHRAIN: A Services Center

THE FOUNDING of the Khalifa dynasty in Bahrain 200 years ago — the present emir is the 10th in direct succession — began in peace and stability after a long period of anarchy when possession was disputed by Persia and Oman.

There was serious rioting in Bahrain in 1956 at the time of Suez and again in 1965, but by that time Nasser's image was fading and his influence was eliminated by his defeat in the Six Day War in 1967. In 1970, there were strikes and demonstrations against high prices, unemployment and poor labor conditions.

Riches came only after the energy crisis of 1973 brought a fourfold increase in the price of oil. Budgets today are reckoned in hundreds of millions of dollars. In 1967, revenues from all sources, including oil, which has remained the backbone of the economy, totaled only \$27 million. Looking back, it is impressive to see what the planners did with the available money. Free education and health services were introduced, electricity and controlled water supplies installed, and a modern township built to rehouse 35,000 lower-income people.

The Bahrain Aluminum Co.'s smelter was started up in 1971. It is now producing 120,000 metric tons annually and is being expanded.

With Bahrain's new wealth — although it is far less than that of its Arab neighbors — planners in the late 1970s emphasized making the country the services center of the Gulf, and improving the quality of life. A road network was built, the airport modernized so that it is now probably the busiest and most efficient in the Middle East, and the port expanded to provide full container-handling facilities. The adjacent free-zone for offshore industries was extended.

Planners are now faced with the likelihood of inflation and an overheated economy, because nearly \$3 billion worth of projects are planned, many to be launched this year. They include the 25-kilometer causeway to Saudi Arabia, for which the Saudis are paying the entire cost of \$750 million but which will bring important spin-off construction work to Bahrain; the Gulf Petroleum Co.'s \$400-million plant for the production of ammonia and methanol, in which Saudi Arabia and Kuwait are partners with Bahrain; the Arab Iron and Steel Co.'s \$300-million plant to make iron pellets, in which the Bahrain government is a partner with private interests in Kuwait, Iraq and Jordan; and the \$100-million Gulf Aluminum Rolling Mill, supported by Bahrain, Saudi Arabia, Kuwait, Iraq, Qatar, and Oman.

U.A.E.: Growth via Federation

THE UNITED ARAB Emirates was born in December, 1971, when Britain withdrew. It was initially composed of six of the former Trucial States, Abu Dhabi, Dubai, Sharjah, Fujairah, Ajman and Umm al-Qaiwan; the seventh, Ras al-Khaima, joined a few months later.

The differences in the nature of the emirates were plainly visible. It was no surprise, therefore, that when the federation's provisional constitution was unveiled it gave few powers other than foreign affairs and education in the center. It was so loose as to be more confederal than federal.

about 1.3 million barrels a day, with Dubai adding 350,000. In Sharjah, production from the offshore Mubarak field is down to about 10,000 barrels a day but an important new offshore field should raise production to around 80,000 barrels a day by the end of 1983. At the same time the years since independence have seen the creation of the country's infrastructure, even in the poorer emirates, and a diversification of the economy.

The growth of the last decade — which has more than matched a population increase from about 1 million at the end of 1970 — caused a liquidity crisis between 1977 and 1979, due in part to the lack of proper financial management by some of the smaller banks. At the same time, there has been a lack of economic planning on a national scale. There are now signs, however, that the strengthening of political unity is being reflected in the economic sphere.

Logical Path of Unity

(Continued from Page 7S)

Witnessed an economic miracle. States that had no control over their oil and had only primitive local industries such as fishing and pearl diving are now sophisticated centers of financial, commercial and industrial operations, increasingly controlled by highly educated nationals.

As the Gulf states industrialize, they are concerned with the creation of new markets and new forms of cooperation on a global scale. The Gulf states are a part of the Arab world and they feel a commitment to resolving the Palestinian problem. This political commitment has an economic edge: The Gulf states are spending vast sums for the defense of the Arab world that would be better spent on making the Middle East self-sufficient in food. This is the aim of the recently created special fund for an Arab decade of development sponsored by the Arab League and financed by the oil-producing states.

QATAR: A Cautious Approach Is Paying Dividends

THE PEOPLE of Qatar are conservative in their thinking and way of life, and this has been reflected in the policy followed by the ruler, Sheikh Khalifa bin Hamad al-Thani, in promoting his country's development.

Within three months of assuming power in 1972, Sheikh Khalifa had appointed an Advisory Council, based on the traditional Arabic model of the Shura, that embraced representatives of the leading families. As Qatar is largely a tribal society, this is, in effect, a means of democratic representation until education has had its full effect.

Qatar is now a producer of iron and steel, chemical and organic fertilizers, cement and petrochemicals, as well as being reasonably well-supplied with electricity and desalinated water for industrial and domestic use. Now there are plans for horizontal expansion through light manufacturing projects to be capitalized not by the state alone but by private enterprise.

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KEN WHITTINGHAM is a British journalist who has long specialized in the Middle East as a writer and an editor. Mr. Whittingham is a former deputy editor of Arab Month magazine, and a former news editor of the Gulf Times in Qatar. He continues to contribute as a free-lancer to numerous publications on Middle East affairs.

The step-by-step approach has also served Qatar well in its foreign relations. The summit meeting in Abu Dhabi to confirm Gulf cooperation was a success for Qatar's ruler, who has been a prime mover of the initiative.

KUWAIT: A More Active Foreign Policy

AFTER 20 years of trying to keep a low profile and enjoy its oil wealth in private, Kuwait has emerged as a leading force in the Gulf and the larger Arab world.

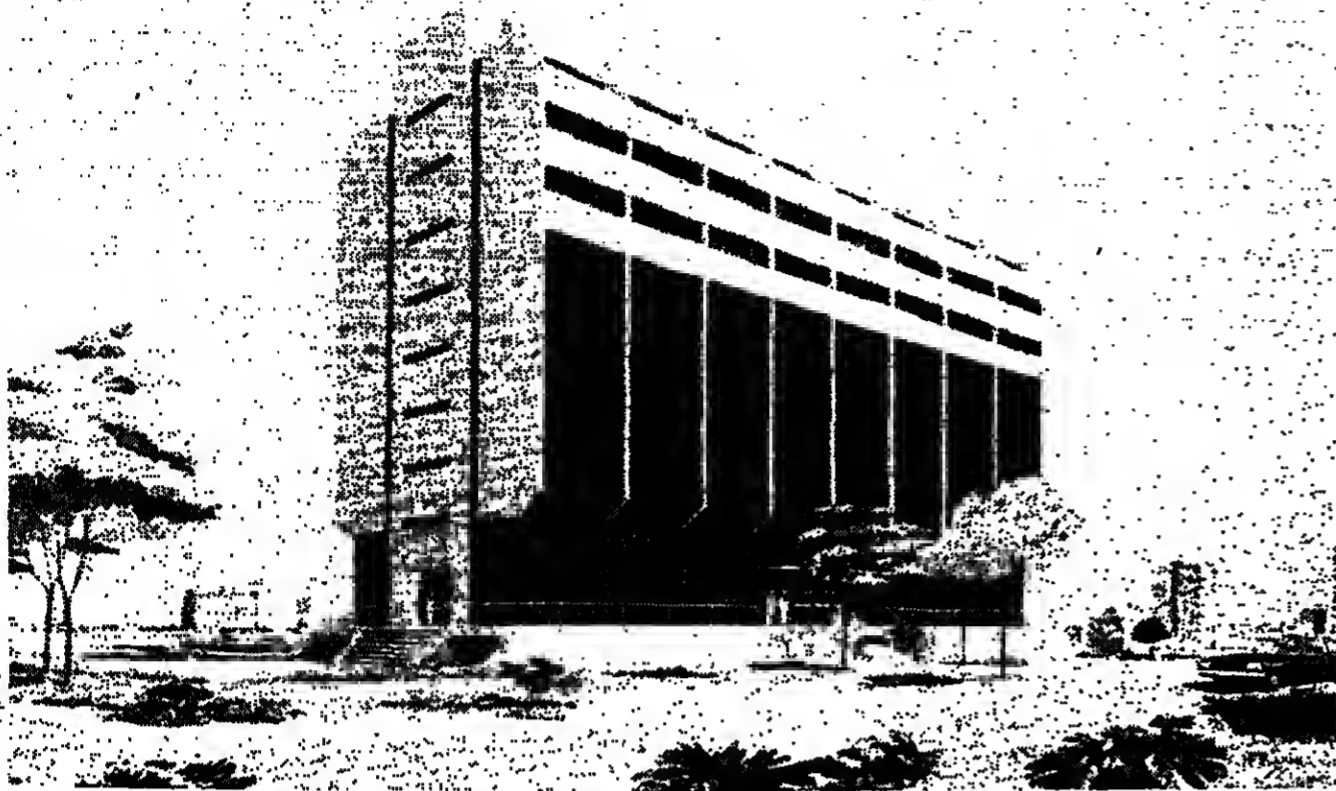
The Iranian-Iraqi war may, in fact, end a long-standing threat to Kuwait's security: the claim by Iraq over much of Kuwait's territory. Negotiations are under way, and Iraq is likely to abandon its claims in exchange for Kuwait support. Apart from the interest-free \$2-billion loan, this has largely come about through the opening of ports to Iraqi cargo.

The workers were foreigners drawn by the country's oil boom. Kuwait's small population cannot provide enough labor for its ambitious development program, and is in any case unwilling to do the heavy manual work. The result has been an influx of expatriates, mostly Arab but also from the Indian subcontinent and Southeast Asia. This has reduced the proportion of Kuwaiti citizens in the population from 55 percent in 1957 to 41.5 percent of the 1.4 million counted in the 1980 census.

QATAR INSURANCE COMPANY S.A.Q. THE FIRST NATIONAL INSURANCE COMPANY IN QATAR AND UNITED ARAB EMIRATES TRANSACTING ALL CLASSES OF INSURANCE BUSINESS. FIRE AND BURGLARY, MARINE, MOTOR, WORKMAN'S COMPENSATION, CONTRACTOR'S ALL RISKS, ACCIDENT, MACHINERY BREAKDOWN, FIDELITY GUARANTEE, MISCELLANEOUS. HEAD OFFICE: P.O. BOX NO. 666 DOHA-QATAR. BRANCHES AT: DEIRA-DUBAI, RYADH, P.O. BOX NO. 16729, SAUDI ARABIA.

JOSEPH ZAPPIA - CREATIVE BUILDER

By Laila Zoubeir



One of Joseph Zappia's latest projects: the headquarters for the Emirates Commercial Bank in Abu Dhabi

In the years immediately following the four-fold oil price increase in 1973-74, few areas in the world saw construction and development on such a scale or at such a pace as the countries of the Arabian peninsula. With a massive increase in their available financial resources, and often still at that time lacking much of the basic infrastructure of modern states, the states of the Gulf embarked on a major programme of growth. Amongst them was the United Arab Emirates.

The country was still then relatively new. Led by President Sheikh Zayed Bin Sultan Al Nahyan, Ruler of Abu Dhabi, and Vice President Sheikh Rashid Bin Said Al Maktoum, Ruler of Dubai, it was independent only since 1971, when the British, who had exerted a semi-colonial form of control for the previous century and a half withdrew from the region. To face the future, Abu Dhabi and Dubai, together with the other

to keep a foothold in the market. The situation became fiercely, even destructively competitive. It was a particularly inappropriate time for any newcomer to seek to break into the market.

One foreign company had the vision, the courage and the determination to choose this precise moment to seek to enter the U.A.E. market for the first time, the Montreal, Canada based Zappia Group.

Headed by Quebecer Joseph Zappia, son of an Italian immigrant, the Group was a relatively average builder and developer in Canada until about five years ago, when it sprang into national and international prominence as the builder of the village for the Montreal Olympic Games. The 95 Million Dollar Project, completed in a desperate race against the clock, won for Zappia international acclaim.

The Group first ventured into Sharjah in 1977, winning its first contract for the construction of 7 Overpass Highway Bridges to smooth out bottlenecks in the town's congested traffic flow. This also has been completed in a record time - 28 days for the first bridge and 4 months for the other 6 bridges. This unusual performance has introduced Mr. Zappia into a vital construction area.

Since then it has successfully won, maintained and expanded its foothold in the U.A.E. market. Over half a Billion UAE Dirhams (135 Million U.S. Dollars) worth of work has been completed, or is in the design or construction stages. In the Emirate of Abu Dhabi, base of the Group's major company in the region, Zappia Middle East Construction Ltd., three major contracts have been won from the General Headquarters of the U.A.E.'s Armed Forces. Work is also under way on two buildings, one the prestigious headquarters for the locally-based Emirates Commercial Bank, and on a major computerised stores complex for the Abu Dhabi Municipality. The company has signed a major contract for a Water Distribution Network of 400 kilometers for the inland Oasis of Al Ain. Also, they are constructing the prestigious building of the Chamber of Commerce on the Carniche Corner of the airport road.

In five years the Zappia Group has established a Middle Eastern presence that covers the U.A.E., Saudi Arabia and the Libyan Jamahiriya and has over three thousand employees in the area and about 45 million Dirhams of equipment. Senior Group Officials confidently expect further major contracts to be announced, both within the United Arab Emirates and outside within the near future.

The key to the Group's progress seems to be the charismatic personality of its President and Chief Executive Officer, Joseph Zappia. Educated at Loyola and McGill University prior to taking over control of the company established by his father, Zappia is unusual amongst major figures in Canadian and international construction in that he followed up his degree, in Engineering, with a second Arts Degree in Philosophy, Literature and Music. A trained tenor, he still retains a deep and abiding interest in Music and the Arts.

The breadth of his interests led him to venture into the field of politics in Canada, where he was for a while a leading contender for leadership of the Progressive Conservative Party. The eventual winner of the contest, Joe Clark, went on to become Prime Minister in the next election.

Following the successful completion of the Montreal Olympic Village, however, a powerful and united campaign by elements both within the Canadian Federal Government and within the machinery of his own party escalated to a level where Zappia decided to withdraw gracefully from the political fray. He comments ruefully that the in-fighting of construction companies competing for contracts is but a child's game compared to the battles of politicians.

Zappia has been able, however, to maintain the

respect both of the Canadian Government and that of his home province, Quebec, and although his Group is now expanding fast overseas, especially in the Middle East, it continues to be active at home.

Construction on the scale on which Zappia operates involves a breadth of vision that covers not merely the technical aspects of construction, but also a real appreciation of the world around him, its social and economic pressures, and the demands and objectives of urban dwellers.

"In most of the projects in which he has been involved, there has been something more than money", claims one of his closest associates in Abu Dhabi. "Look at the Montreal Olympic Village - it was more than just a fine housing complex. Because of the purpose for which it was initially built, it involved Canada's prestige in the world. The condominiums in Canada display an appreciation of the need to model a new urban environment in which the need for a social conscience as well as more concrete factors are taken into account. Even the Sharjah flyovers - which are a design, fabrication and erection job - have contributed to a significant improvement in the quality of life there".

One top Canadian Banker once described Joseph Zappia as "perhaps one of the last great individual builders". In an age of corporate facelessness, and of stiff management formalism and bureaucracy, it is not surprising, therefore, that Zappia stands out.

His own technical training has given him the ability to understand the smallest details of engineering and construction, an ability that his employees, from project manager to the humblest brick-layer, have come to respect, and occasionally, to fear. Describing his own business philosophy as "a commitment to excellence, coupled with a belief in undivided candour", Zappia has managed to motivate his own workforce with the same spirit, while the mercantile energy that permits him to work a steady fourteen to sixteen hours a day has helped him to keep that workforce perpetually on their toes, never sure when he will come walking into the design office or driving on to the site.

One feature of the Group that Zappia leads is its flexible organizational structure. It follows a basically conventional hierarchical system, but is designed to be flexible enough for special teams to be created for each project, encouraging involvement by top level management alongside lower level management and the "in-house" technical staff in the execution of projects. One result of the system has been to permit an attention to detail by top management, including Zappia himself, that has kept them in touch with the day to day problems of project execution and management.

Coupled with the wide range of expertise available within the Group, which has close links in Canada, the United States, U.K., Italy and the Middle East, this has meant that it has been possible to maintain tight control over all stages of project implementation, with a consequent ability to resolve problems rapidly and to minimise financial wastage. One result has been that the Zappia Group has been able to beat larger and more unwieldy corporations as well as small builders in tendering. Many of the more successful jobs so far completed by the Group have included tight delivery schedules and cost restrictions that other companies have, quite simply, felt unable to accept. The activity of the Group in the field of property development has helped as well, since it means that it understands not only the technical problems related to construction, but also the particular requirements of end-users.

Like any successful entrepreneur, Joseph Zappia

is not afraid to take risks. The Montreal Olympic Village and his condominiums in Canada were built with the Group acting as owner-builder, and there have been other speculative ventures in the United States, all of which have proved to be financially successful. Recently he received the rare accolade of being one of the few foreigners permitted to embark on such a speculative venture in Abu Dhabi, while his hard-earned reputation locally has led him to being approached within the past few months by one of the leading figures in Abu Dhabi for advice on a major construction-related project. More details are promised within the next few months.

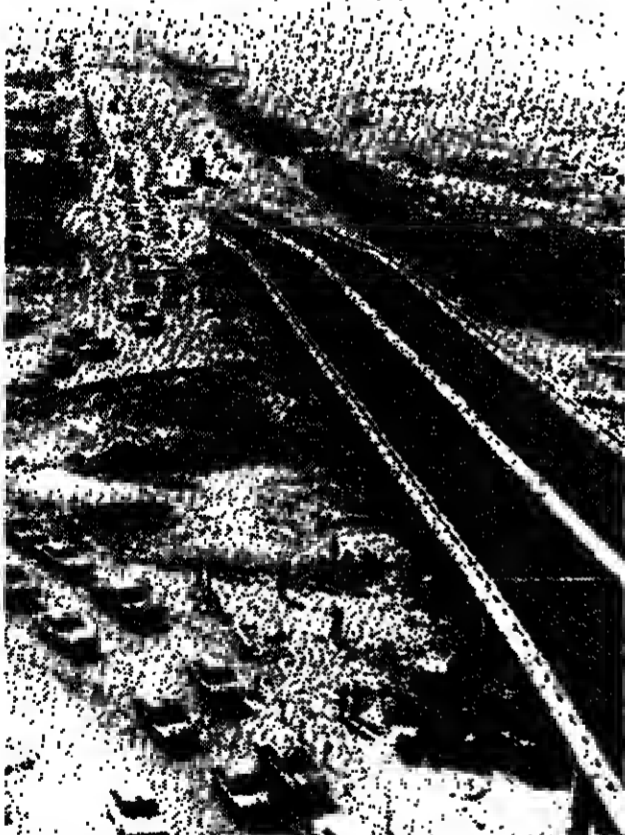
The energy that has permitted Joseph Zappia to build and control his expanding construction and development Group has, of course, not helped in the establishment of a conventional way of life. With companies in North America, Europe and Middle East, he has for years been a peripatetic traveller. His French Canadian wife, Françoise, has given up the hope of being able to persuade him to live otherwise, and has, instead, become one of his closest advisers. "With the hectic life he leads, I have come to persevere with him, and to ally myself with him in the achievement of his goals".



On the job: another project takes shape, this one in Saudi Arabia.

Asked to describe himself recently in one and in two words, Joseph Zappia paused a moment for reflection. "Builder", he said. And in two words? An associate interjects: "Builder, Builder". Zappia, however, has another answer: "Creative Builder".

One of his latest projects, the headquarters for the Emirates Commercial Bank in Abu Dhabi, makes the point. It will be the first building in the U.A.E.'s capital to have underground parking, two floors deep. In most cities, and certainly in most of those in which Zappia is accustomed to operating, that would pose no special problems. Abu Dhabi, however, is a small sandy island, only a few feet above sea level. Two metres below ground level, a hole fills rapidly with sea water, and, in consequence, before work on the car park can begin, a huge hole must be dug, and lined with special salt-resistant steel and concrete. Yet the city, rapidly growing, is desperately short of car parking space. Underground car parking in Abu Dhabi - that is real creative building, and Zappia is already engaged in designs for a second building that will also provide such space. In a country where many architects and builders have chosen to construct simple skyscraper boxes with little imagination, the Emirates Commercial Bank Building and its car-park is an example of the style and the flair that have made Joseph Zappia, in five short years, a growing force in Middle East and international construction.

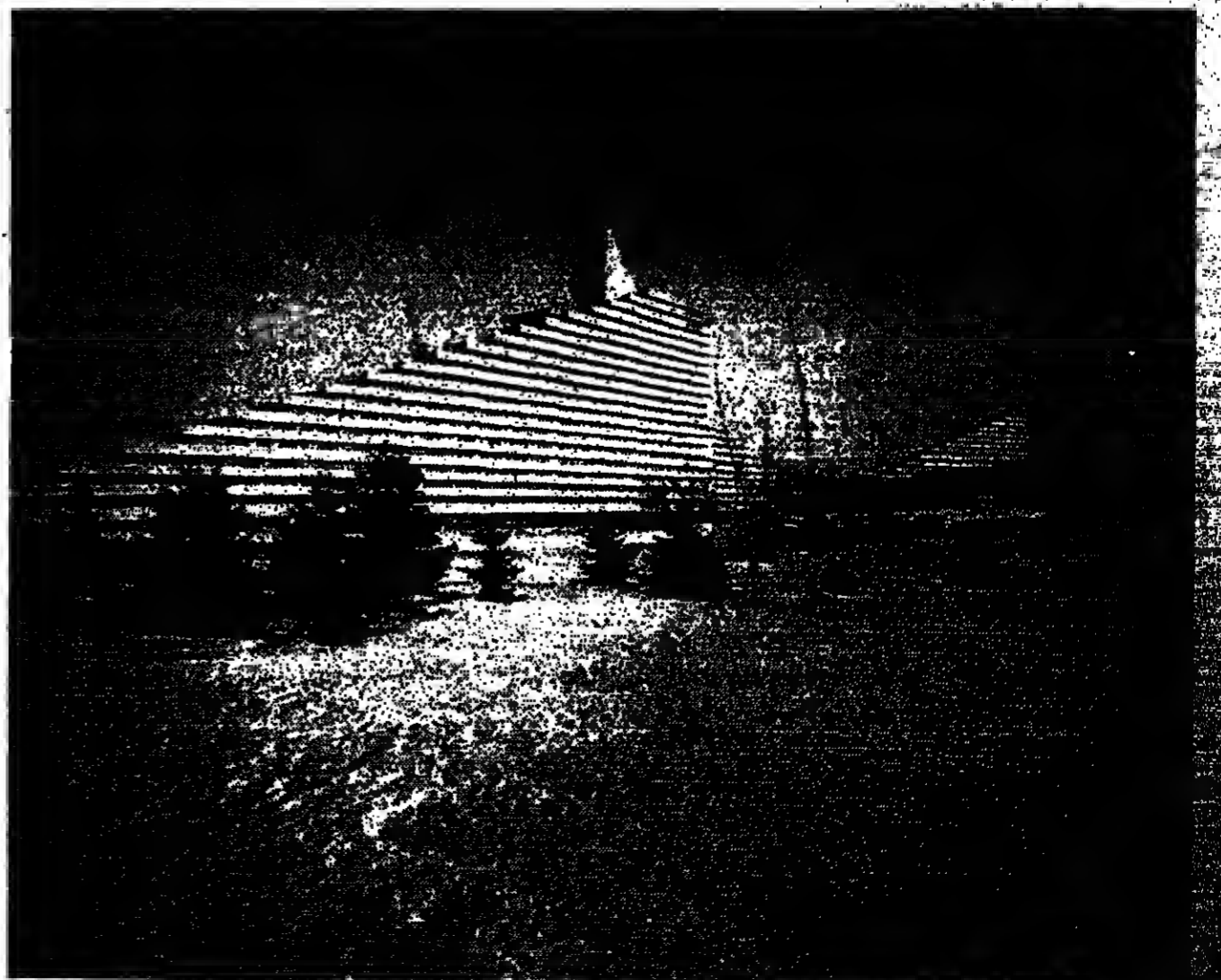


One of seven highway overpasses that were built in record time in Sharjah.

five former 'Trucial States', Sharjah, Ras Al Khaimah, Ajman, Fujairah and Umm Al Qaiwain, had joined together in a federation, but by 1973, they still lacked most of the attributes of a modern state. With the heritage of colonial neglect to overcome, there was suddenly the financial resources available to tackle the task.

By about 1977, however, the pace of growth had become almost too rapid to digest. Inflation, according to official figures, had risen to over thirty per cent, and the Government was obliged to move to bring its over-heated economy under control. One immediate casualty was the construction sector, where the pace of building had outstripped even the most optimistic projections of demand. Many banks had become heavily over-committed in lending to speculative building ventures, and it was, indeed, the collapse of one bank, and the temporary closing of another, that led to the Government's decision to act.

The picture was particularly bad in the Emirate of Sharjah, where oil production, and revenue, had failed to keep pace with initial expectations. The result was a serious slump in the construction sector. Literally dozens of small contracting companies went out of business, often leaving buildings incomplete. The larger and more soundly based companies were forced to resort to desperate price cutting measures, often tendering for projects at cost or below cost, just



The Montreal Olympic village, a 95 million Dollar project which was completed in a race against the

NYSE Nationwide Trading Closing Prices July 21

Table of NYSE Nationwide Trading Closing Prices for July 21, 1981, including various stock indices and individual stock prices.

U.S. COMMODITY PRICES

Table of U.S. Commodity Prices for July 21, 1981, covering futures markets for wheat, corn, soybeans, and other commodities.

Toronto Stocks

Table of Toronto Stock Exchange closing prices for July 20, 1981.

Montreal Stocks

Table of Montreal Stock Exchange closing prices for July 20, 1981.

Canadian Indexes

Table of Canadian Indexes for July 21, 1981.

London Metals Market

Table of London Metals Market prices for July 21, 1981.

London Commodities

Table of London Commodities prices for July 21, 1981.

International Monetary Market

Table of International Monetary Market prices for July 21, 1981.

European Stock Markets

Table of European Stock Markets closing prices for July 21, 1981.

Large advertisement for 'SAVE!' featuring a coupon for a 12-month subscription to the International Herald Tribune, with details on pricing and terms.

Market Summary

NYSE Most Actives

Table of NYSE Most Active stocks for July 21, 1981.

Dow Jones Averages

Table of Dow Jones Averages for July 21, 1981.

Standard & Poors

Table of Standard & Poors index for July 21, 1981.

NYSE Index

Table of NYSE Index for July 21, 1981.

Odd-Lot Trading in N.Y.

Table of Odd-Lot Trading in N.Y. for July 21, 1981.

American Most Actives

Table of American Most Active stocks for July 21, 1981.

AMEX Index

Table of AMEX Index for July 21, 1981.

NOTIFICATION

Notification regarding a managed commodity account, equity on January 1, 1981, and equity on July 16, 1981.

Frankfurt

Table of Frankfurt stock prices for July 21, 1981.

Zurich

Table of Zurich stock prices for July 21, 1981.

Milan

Table of Milan stock prices for July 21, 1981.

Selected Over-the-Counter

Table of Selected Over-the-Counter prices for July 21, 1981.

Cash Prices

Table of Cash Prices for July 21, 1981.

Commodity Indexes

Table of Commodity Indexes for July 21, 1981.

Tokyo Exchange

Table of Tokyo Exchange prices for July 21, 1981.

NEW YORK (AP)

Text of a news article from New York, dated July 21, 1981.

Commodity Indexes

Table of Commodity Indexes for July 21, 1981.

Tokyo Exchange

Table of Tokyo Exchange prices for July 21, 1981.

NEW YORK (AP)

Text of a news article from New York, dated July 21, 1981.

Advertisement for the International Herald Tribune, featuring the newspaper's logo and the slogan 'Incisive. In depth. International.'

Advertisement for TAPMAN, a managed commodity account, with contact information and details about equity investments.



AMEX Nationwide Trading Closing Prices July 21

Tables include the nationwide prices up to the closing on Wall Street.

Large table of AMEX stock prices with columns for High, Low, Close, and various stock symbols.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

Table of company reports including sections for Canada, United States, Eurocurrency Interest Rates, Floating Rate Notes, and Non Banks.

Harvester Misses Goal On Finances

CHICAGO — International Harvester's five-month, \$4.9 billion financial restructuring was supposed to be completed last week...

Harvester has also promised its lenders that it will cut \$1 billion from the \$2.5 billion in stockpiles it carried at the beginning of the year...

Top officers have been hit with pay reduction, while salaries of other managers and nonunion personnel have been frozen.

When in Washington, O.C. meet at Blackie's House of Beef

Spain, Portugal To Build A-Plant

LISBON — Spain and Portugal have agreed in principle to build a joint nuclear power station on Spanish territory...

The secretary, Joao Carvalho Correia, said that the Spanish energy minister, Ignacio Bayon Marine, gave his country's approval for the project during a visit to Lisbon last week.

Portugal proposes to operate a 1,000-megawatt generator at one of three sites where Spain is already building or plans nuclear power stations...

European Gold Markets table with columns for Price, Aug, Nov, and various gold market data.

ANNOUNCEMENT text regarding the Ministry of Euphrates Dam in the S.A.R. and the cancellation of the tender published under No. 411 dated 26/3/1981.

BEAT INFLATION GUARANTEED advertisement with interest rates for Dollar, Peseta, Dollar (U.S.), Sterling, Franc, Mark, and Franc (Swiss).

U.S. \$150,000,000 Kingdom of Sweden advertisement featuring a crown logo and details about floating/fixed rate bonds due 1991.

Eurocurrency Interest Rates table with columns for Bank, Rate, and various interest rate data.

Floating Rate Notes table with columns for Bank, Rate, and various floating rate note data.

Non Banks table with columns for Bank, Rate, and various non-bank financial data.

Table with columns for Bank, Rate, and various financial data.

EXCLUSIVE INTEREST IN SILVER MINING WITH 100% CAPITAL PROTECTION THROUGH BANK GUARANTEE advertisement.

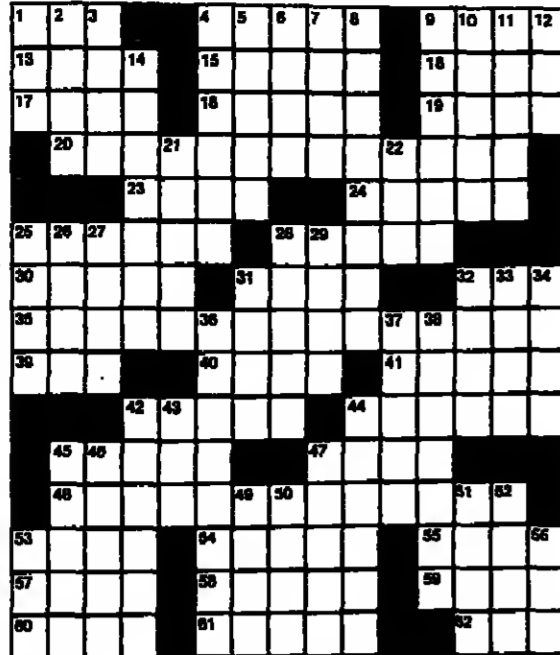
FOR READERS WHOSE LIVES ARE BIGGER THAN NATIONAL BOUNDARIES. International Herald Tribune We've got news for you.

Form for requesting information about silver mining investment, including fields for Name, Address, and Telephone.

Kingdom of Sweden Floating/Fixed Rate Bonds Due 1991. In accordance with the provisions of the Bonds, notice is hereby given that for the three months interest period from 21st July, 1981 to 21st October 1981 the Bonds will carry an Interest Rate of 18 1/2% per annum.

CROSSWORD

By Eugene T. Malaska



ACROSS

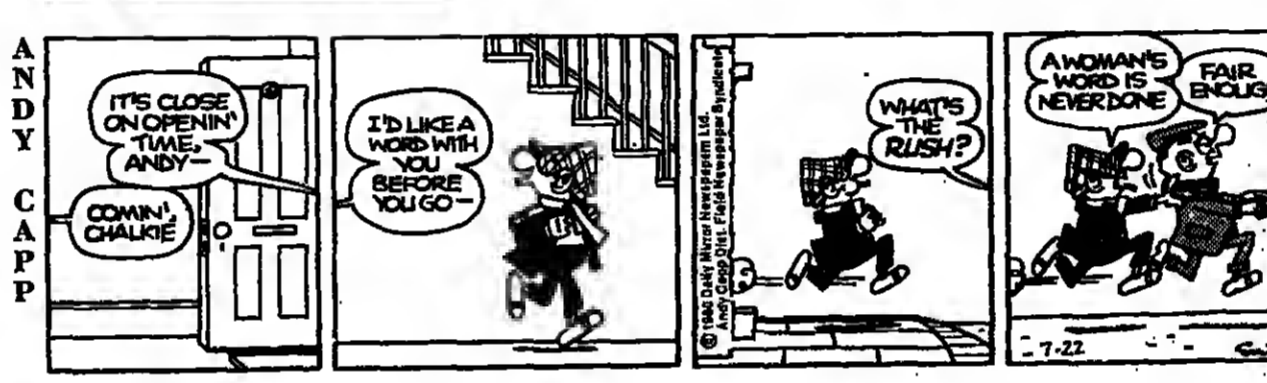
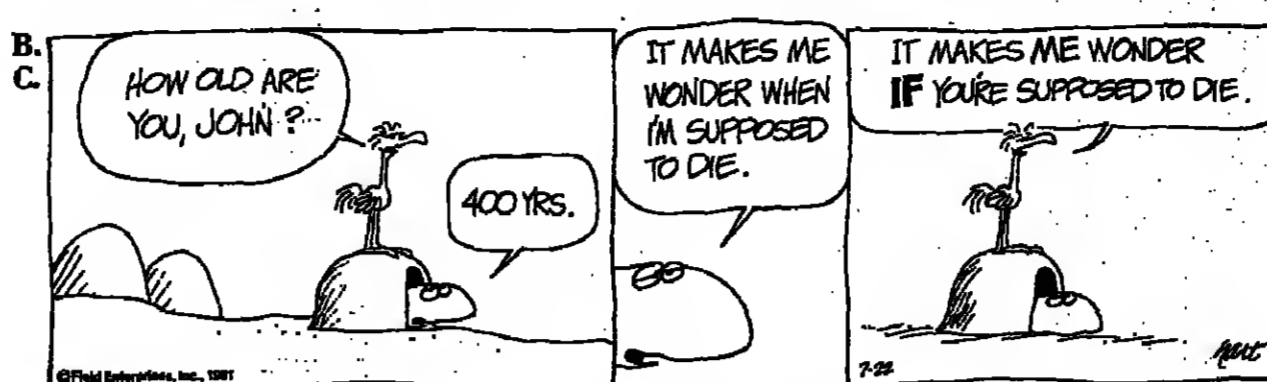
- 1 Append
2 Quaffer's choice
3 Roster
13 Arrange sails
15 Zola
16 "Render therefore Caesar..."
17 Dolly of musical fame
18 Sauce for pasta
19 Shade of red
20 Broadway hit: 1957
23 Tune from "A Little Night Music"
24 More rational
25 Alphonsine's sidekick
26 Shade of brown
30 Musical group
31 Vocalized "Send in the Clowns"
32 Union in D.C. is one
35 And 48 Across
38 Margin for milder
40 "O! that way madness lies" King Lear
41 Medicine: Comb. form
42 Criminally assists
44 Bacon piece

DOWN

- 45 State in NE
47 Ceregr
48 Broadway hit: 1965
53 Chesterfield or davenport
54 Mythological weeper
55 Jug
57 Hibernia
58 - of thought
59 Bell the cat
60 Genetel repasts
61 Drug-yielding plant
62 Red and White of baseball
1 About 32 million sq. mi. of water
2 Famed name in stage lore
3 Plunge
4 Teacher's plan
5 At full speed
6 Try in vain to improve a tily
7 Other
8 Put on a different task
9 Patti of "Evita"
10 Harden
11 French counterpart of U.S.M.A.
12 Kind of dance
14 False move
21 Gear part
22 Cry of surprise
26 Feat in France
27 The Main (Broadway)
28 First, second and third patriarch
31 In a (upset)
32 Fourth man
33 Wastrel
34 Love, to Lucia
36 Gold and silver
37 Sands or Ross
38 Straps
39 angry words
42 Chinese and Japanese
43 Humberg's
44 Lady in "Ivanhoe"
45 Idolize
46 Capital of Bulgaria
47 Discoverer of a polio vaccine
49 English river
50 Rashid brown horse
51 "the night before"
52 Mosaic
53 Scene shifter's concern
54 Harrison

WEATHER

Table with columns for High, Low, and conditions for various cities including ALBANY, ALBANY, ALBANY, etc.



JUMBLE THAT SCRAMBLED WORD GAME by Henn Arnold and Bob Lee. Includes words ECIDD, NALAB, LADLAB, AVGASE and a cartoon about gentlemen getting from ladies.

DENNIS THE MENACE cartoon by G. H. Fisher. Dennis is sitting at a table with a question mark, saying 'YOU BETTER NOT COME OVER, MARGARET. I GOT APPOINTMENTS ALL DAY.'

BOOKS

BEST SELLER

By Geoffrey Bocca. Illustrated. 233 pp. \$12.95. Wyndham Books, 1230 Ave. of the Americas, New York 10020.

Reviewed by Christopher Lehmann-Haupt

HERE is one of those books that look at first glance like nothing but fun... A Nostalgic Celebration of the Less-Than-Great Books You Have Always Been Afraid to Admit You Loved...

It finished writing this book red-eyed and ill-humored... For the first time in my life I came to understand why book critics are such an ornery bunch.

Still, Bocca, who has a relaxed and personable style, does pretty well at his task... Bocca celebrates as "one of the most thrilling literary experiences of a lifetime"...

And possibly we can detect a note of straining when Bocca calls E. Phillips Oppenheim's "The Great Impersonation" (1920) "the best international espionage novel written in the 20th century..."

But despite such shortcomings, "Best Seller" is an entertaining book to browse through... Bocca's approach is sufficiently relaxed to permit comment on a variety of side issues...

Indeed Bocca ends up making a number of credible cases... While he manages effectively to turn readers off P.G. Wren's "Beau Geste" (1924), Edgar Rice Burroughs' "Tuzan of the Apes" (1914) and Michael Arlen's "The Green Hat" (1924)...

Christopher Lehmann-Haupt is on the staff of The New York Times.

Best Sellers

Table listing best-selling books with titles, authors, and weeks on the list.

Solution to Previous Puzzle. A grid with letters and numbers for a word search puzzle.

BRIDGE

By Alan Truscott

DISCARDING in defense is a difficult area, but there is a golden rule that is not always understood: A defender should try and keep length in any suit in which the declaring side also has length.

This is not so difficult to arrange when the side-suit is in the dummy, but it is equally important when the side-suit is in the closed hand.

On the diagrammed deal from the limited Swiss Team Championship at the recent Eastern Regionals, it became clear to the declarer that East had made an error. However, the exact nature of the error was less clear.

The deal occurred in a match in the final round. Sitting North and South, and bidding to an optimistic slam, were Stan and Tobysan Strachan of New York, who shared top honors in the event.

With nothing better to do, South took the marked club finesse and continued trumps, drawing all West's trumps. East has to make four discards, and forgot the golden rule; one of his discards was a heart, a suit in which South was known to have length.

BRIDGE diagram showing a deal with North and South hands, and a table of cards.

